55 part - I

1936-44 **File No.** 725/36

B CLASS

P.W. DEPARTMENT
El BRANCH

Subject:— Electricity Duty
Orders reg. rebate for
collection of —
Rules in respect of —

B [K] 46

pt → I

File No. 725/36 — El

Sta. Sectt. Slip 24-A

Std. Scott. 78A e.

G.R., G.I., No. 2408, dated 22-5-22.]

Correspondence

DOCKET SHEET (B)

I

Subject :—

File No. 725/36

P. W. DEPT.

EC. BRANCH.

References :—

Date.	To whom sent.	Notes and instructions.

Electricty Duty.
Bombay - Rules, 1932.
Amendment of Rule 8 of,

GOVERNMENT OF BOMBAY.
REVENUE DEPARTMENT.
Resolution No. 8836/28.

Bombay Castle, 23rd February 1937.

Letter from the Collector of Bombay (Mr. E.T. Serley, I.C.S.), No. E.T.C. 10, dated the 11th September 1935:-

"I have the honour to enclose herewith a copy of letter,* dated 15th/17th April 1935, from the Assistant General Manager, The Tata Hydro- Electric Power Supply Company, Limited, The Andhra-Valley Power Supply Company, Limited, and The Tata Power Company, Limited, together with copy of my reply* No.E.T.C. dated 21st May 1935, and to state that the matter was further discussed with the General Manager. The gist of his contention was that the said the Tata Power Companies are bulk suppliers of electrical energy to mills and factories who carry on their own transformation and distribution. The companies have been charging since January 1935 all energy, whether used for lights and fans or for other purposes, at a uniform rate and have, therefore, removed their lighting meters. The companies have, consequently, no means effectively to check the quantity of energy taxable under the Bombay Finance Act, and they, as licensees, will not be able to submit correct returns of duty as required by rule 4 of the Bombay Electricity Duty Rules, 1932. He, therefore, requests that the Tata companies may, in the circumstances, be relieved of the

responsibility of ~~correcting~~ collecting and paying the duty and that the consumers may be made responsible for submitting the returns direct to the Collector.

"2. It will be seen that parts I and II of the Bombay Finance Act, 1932, have been based on the principle that the lectricity duty leviable under section 5 of the Act shall be collected and paid by the licensees, who shall recover it from the consumers along with their own dues (vide rule 2) If Government proceed to take upon themselves the duty of collection direct from the consumers, Government will have to maintain a large staff. Besides it is doubtful whether ~~sich~~ such a procedure will be legal as there is no provision either in the Act or in the rules to justify it. It is also not clear how it would be possible to compel consumers to maintain accounts in respect of energy used by them for their own purposes and a lso to ensure correct submission of returns. Mills and factories being industrial concerns are liable to pay duty only in respect of their offices and residential premises. It is understood that mills do not ~~change~~ charge their staff occupying mill quarters for the consumption of electricty. At present the Tata companies are carrying on the collection of the duty on the readings of meters installed in mill offices and quarters under the authority of the rule 8, but since they have changed the system of tariff they have no interest in maintaining their own lighting meters from which distribution of the supply to the different departments and premises situated within the mills ' precincts could be checked.

"3. Rule 13 of the Electricity Duty Rules seems to extend the application of the rules of persons other than licensees but it is doubtful whether

this rule can be made to apply to the present case.

"4. The difficulty of the Tata companies seems to be a real one and the Act does not in fact, seem to envisage a situation like the one which has now arisen. I, therefore, submit the case for the orders of Government."

Government memorandum, No. 8836/-V/28, dated the 16th October 1936.

" The undersigned presents compliments to the Collector of Bombay and, with reference to his letter, No. El T. C. 10, dated 11th September 1936, is directed to state that Government are advised that the Tata Companies cannot legally divest themselves of the duty of collecting the electricity duty on electrical energy supplied by them to mills and factories and used for the purposes of lights and fans. The collector is requested to inform the companies that their request to be relieved of this duty cannot be granted.

"2. Under No. 10. of the Bombay Electricity Duty Rules, the consumers are bound to instal separate meters or sub-meters for indicating energy consumed for power and for lights and fans respectively. The Collector is requested to arrange for periodical checks by the sample method of the readings taken by the companies of meters or sub-meter for lights and fans.

"3. No.6 of the Bombay Electricty Duty Rules is being amended so as to allow the servants of the companies to enter premises of consumers to read meters or sub-meters in those premises."

Governmenr reference to the Remembrancerof Legal affairs dated the 19th October, 1936.

Memodandum from the Remembrancer of Legal Affairs (Mr. K.C.Sen, I.C.S. No. 6170, dated the 16th November, 1936.

"A revised draft notification is appended, obstruction to an Inspector is made punishable under section 10 of the Bombay Finance Act, 1932. A servant of a licensee will not be an Inspector within the meaning of the section, and, therefore, the new sub rules has been framed in such a manner as to make it enforceable by the penalty provided in section 10."

RESOLUTION. - The requisite draft notification amending No. 8 of Bombay Electricty Duty Rules, 1932, should be published in the Bombay Government Gazette. The Oriental Translator to Government should b e requested to traslate the notification into Marathi, Gujrati and Kanarasee and forward the translation to the Manager, Government Central Press, for publication in the Gazette. The dates of publication of the translations should be reported to Government.

2. The Commissioners of divisions and the Collectors of Bombay should be requested to forward to Government with their remarks any petitions of objections which may be received by them, or any officer subordinate to them, in repect of the proposed amendment.

By order of the Governor in Council.

N.A.FARUQUI,

Under Secretary to Government.

G.R. No. 8856/28, R.D., dated the 23rd February, 1937.

To

* The Commissioners of Divisions,
* The Collector of Bombay,
* All Collectors,
* The Electrical Engineer to Government,
* The Director of Information,
* The oriental Translator to Government.
* The Superintendent, Government Printing and Stationary,
* The Manager, Government Central Press,
* The Encumbrancer of Legal Affairs,
* The Public Works Department,
* The Finance Department.

* With copies of notification.

Accompaniments to Government Resolution, Revenue Department, No. 8836/28, dated the 23rd February 1937.

Letter from the General Manager, The Tata Hydro-Electric Power Supply Company, Limited, The Andhra Valley Power Supply Company, Limited, and the Tata Power Company, Limited, No. 693/35, dated the 15th/17th April, 1935, to the Collector of Bombay.

We refer to the interview you kindly gave the undersigned on 28th March 1935, in connection with the supply of power : electricity duty.

As explained during the said interview, our companies supply power to the different textile mills and other factories in bulk. Ours is a bulk supply company, and we supply power at our high tension distribution voltage of 6600 or 22000 volts. Consumers carry out their own transformation and distribution.

Till the end of last year, our tariff provided a separate rate for lighting and we had a meter to record energy consumed for the purposes of lighting and we were thus able to a certain extent to check the amount of power consumed for lighting which was taxable. From the 1st of January 1935, however, our revised tariff as pointed, has done away with this restriction, first of all because the consumers considered it a hardship for night working and secondly as it necessitated going into the domestic affairs of a consumer which correctly is not the function of a bulk supplier.

The lighting meters, therefore, have all been removed and we have no means of our own to check the lighting consumption at any of the factories.

In order to submit the returns for electricity duty, our staff, as explained, is called upon to read meters belonging to the Consumers. This, in many instances, is resented by our consumers and is no doubt an objectionable feature, and we would very much like to be relieved from this reponsibility as we have no means of our own to check whether our staff have read all the meters and correctly.

We are of the opinion that as we supply power in bulk and the consumers carry out their own distribution they are almost on a par with factories generating their own motive power by prime movers, and they themselves should be made responsible for submitting correct returns directly to you.

You very kkindly consented to give this matter your favourable consideration, and we shall be obliged for your decision at your early convenience.

Letter from the Collector of Bombay (Mr. H.T. Sorley, I.C.S.) No. E.T.C., dated the 21st May 1935, to the General Manager, the Tata Hydro-Electric Power Supply Company, Limited, Etc.

With reference to your letter No. 693/35, dated 15th/17th April, 1935, I have the honour to invite your attention to section 6 of the Bombay Finance Act, II of 1932, under which the obligation of collection and payment of Electricity duty has been imposed upon a licensee who under sub-Section (3) of that Section is entitled to a rebate for his cost of collection. Any change in the system of tariff or in the mode of supply

of electrical [illegible] by

of electrical energy by him does not absolve him from this obligation.

2. As regards the provision of meters for indicating the supply of energy used for lights and fans, your attention is invited to rule 10 of the Electricity Duty Rules under which the consumers are required to instal meters for metering the energy taxable under the Act, and also to rule 8 which empowers a licensee to read the meter of every consumer. Having regard to these provisions, it is not understood why the reading of meters should be resented or considered objectionable. The Act has been in force since 1932 and consumers have undoubtedly become sufficiently acquainted with its provisions. Your proposal that the consumers should be made to deal directly with Government is contrary to the provisions of the Act and is also impracticable and cannot, therefore, be accepted.

No. of 1937.

Copy forwarded for information and guidance to -

REVENUE DEPARTMENT.

Bombay Castle, 23rd Feb. 1937.

Bombay, Finance Act, IIof1932.

No. 8836/28.- The following draft of a notification which it is proposed to issue under section II of the Bombay Finance Act, 1932 (Bombay.II of 1932), is published as required by sub-section (3) of the said section II for the information of all persons likely to be affected thereby and notice is hereby given that the draft will be taken into consideration by the Governor in Council on or after the 25th June 1937.

2. Any objection or suggestion which may be received by the Secretary to the Government of Bombay in the Revenue Department from any person with respect to the said draft on or before the date aforesaid will be considered by the Governor in Council :-

Draft Notification.

No. .- In exercise of the powers conferred by section II of the Bombay Finance Act, 1932 (Bom.II of 1932), the Governor in Council is pleased to amend the Bombay Electricity Duty Rules, 1932, published in Government Notification in the Revenue Department, No. 8836/28, dated the 14th September 1932, as follows, namely :-

(i) Rule 8 of the said rules shall be renumbered as sub-rule (1) of rule 8; and

(ii) After sub-rule (1) as so renumbered, the following shall be inserted, namely :-

"2. Every consumer shall allow a licensee or any person authorised by him in writing in this behalf, for the purpose of reading, or testing the reading of meters, to enter, between sunrise and sunset, any premises in which a meter is or is believed to be installed.

For the purposes of this sub-rule a meter shall include a sub-meter installed under rule 10."

By order of the Governor in Council,

E.W. PERRY,

Officiating Secretary to Government.

M.S. Submitted for information.

Sd/- 25-3-37.
Sd/- 20-3.

REVENUE DEPARTMENT.

Bombay Castle, 24th September, 1937.

Bombay Finance Act II of 1932.

No.8836/28.- In exercise of the powers conferred by section II of the Bombay Finance Act, 1932 (Bom. II of 1932), the Government of Bombay is pleased to amend the Bombay Electricity Duty Rules, 1932, published in Government Notification in the Revenue Department, No.8836/28, dated the 14th September 1932, as follows namely :-

(i) Rule 8 of the said rules shall be renumbered as sub-rule (1) of rule 8; and

(ii) after sub-rule (1) as so renumbered the following shall be inserted namely :-

"2. Every consumer shall allow a licensee or any person authorised by him in writing in this behalf, for the purpose of reading, or testing the reading of meters, to enter, between sunrise and sunset, any premises in which a meter is or is believed to be installed.

For the purposes of this sub-rule a meter shall include a sub-meter installed under rule 10."

By order of the Governor of Bombay,

E.W. PERRY,

Secretary to Government.

Revenue Department.

Bombay Castle, 2nd October, 1937.

Subject:- Electricity Duty.
Bombay ---- Rules, 1932.
Amendment of rule 8 of,

The attention of the officers concerned is invited to Government Notification, No.8836/28, dated 24th September 1937, published at page 1325 of part IV-A of the Bombay Government Gazette dated the 30th idem.

* Copy appended.

2. The Oriental Translator to Government is requested to translate the amendment into Marathi, Gujarati and Kanarese and to forward the translations to the Superintendent, Government Printing and Stationary, for publication in the Bombay Government Gazette.

By order of the Governor of Bombay,

M.A.FAHMQUE,

Under Secretary to Government.

To

The Commissioners of Divisions,
The Collector of Bombay,
All Collectors,
The Electrical Engineer to Government,
The Director of Information,
The Oriental Translator to Government,
The Superintendent, Government Printing and Stationary,
The Manager, Government Central Press,
The Remembrancer of Legal Affairs,
The Public Works Department,
The Finance Department.

Bombay Electricity Duty Rules.

Inspection of accounts of licensees as provided in ---.

Government of Bombay.

Revenue Department.

Circular memorandum, No.8836/28.
Bombay Castle, 26th September, 1940 .

By Government Notification, No.8836/28, dated the 13th May 1932, Collectors, Mamlatdars and Mahalkaris have been appointed inspecting officers to inspect the prescribed books of accounts maintained by licensees under the Bombay Electricity Duty Rules, 1932, in the areas under their respective jurisdictions. By the same notification Huzur Deputy Collectors and Huzur Mamlatdars have been appointed inspecting officers in the headquarters-towns of the districts. The collectors are requested to see that the accounts are regularly inspected by them and the inspecting officers referred to above as provided in rules 5-7 of the Bombay Electricity Duty Rules.

2. Collectors are requested to instruct the Inspecting Officers under them, that in cases where they have doubts about the correctness of readings shown by a certain meter or meters, they should bring the matter to the notice of the licensee for investigation and necessary action.

By order of Governor of Bombay,

R.F. KEITH.
Under Secretary to Government.

To

The Commissioners of Divisions,

The Collector of Bombay,
All other Collectors,
The Electrical Engineer to Government,
The Public Works Department,
The Finance Department.

No. of 1940.

Copy forwarded for information and guidance to .-

REVENUE DEPARTMENT.

Bombay Castle, 26th September 1940.

No.8836/28.- The following draft of a notification which it is proposed to issue under Section II of the Bombay Finance Act, 1932 (Bom. II of 1932), is published as required by sub-section (3) of the said section II for the information of all persons likely to be affected and notice is hereby given that the draft will be taken into consideration by the Government of Bombay on or after the 14th October 1940.

2. Any objection or suggestion which may be received by the Secretary to the Government of Bombay, Revenue Department, from any person with respect to the said draft on or before the date aforesaid will be considered by Government.

Draft Notification.

No.8836/28.- In exercise of the powers conferred by Section II of the Bombay Finance Act, 1932 (Bom.II of 1932), the Government of Bombay is pleased to amend the Bombay Electricity Duty Rules, 1932, published in Government Notification in the Revenue Department, No. 8836/28, dated the 14th September 1932, as follows, namely :-

1. For clause (ii) of rule 6 of the said rules the following shall be substituted, namely :-

"(ii) Checking the amount of energy consumed as mentioned in the returns and accounts by inspecting meters and meter cards."

2. After rule 9 of the said rules the following new rule shall be inserted, namely :-

"9A. Special Provisions for persons generating energy for their own use.- (1) Every person who generates energy for his own use and who is liable to pay electricity duty under sub-section (4) of section 6 of the Act shall instal a meter in connection with the energy so generated and maintain it in proper order; and

(2) If an inspecting officer has reason to doubt the accuracy of any meter installed under sub-rule (1), he shall refer the matter to the Electric Inspector appointed under section 36 of the Indian Electricity Act, 1910. The Electric Inspector or any person deputed by him in this behalf may thereupon enter the premises of such person for the purpose of testing the meter."

3. In rule 13 of the said rules for the words "in respect of the supply of energy by a person otherxxx than a licensee" the words "to any person who generates energy for his own use and who is liable to pay electricity duty under sub-section (4) of section 6 of the Act and payment of duty by such person for the energy so generated by him " shall be substituted.

4. In form A appended to the said rules -

(a) in the headline, for the words" supplied for ' 'lights and fans' to the consumers" the words " supplied / consumed for 'lights and fans' shall be substituted.

(b) for the word "sold" where it occurs for the first time the words "supplied/consumed"shall be substituted; and

(c)for the word "sold" where it occurs for the second time, the word "supplied" shall be substituted.

By order of the Governor of Bombay,

V.S. HIDE,

Secretary to Government.

Revenue Department.

Bombay Castle, 9th October, 1940.

Subject:- Electricity Duty.
Bombay --Rules, 1932.
Amendment of rules 6,9 and 13,etc.,

*Copy appended.

of,

The attention of the officers concerned is invited to Government Notification, No.8836/28 dated 26th September 1940, published at pages 986-987 of part IV-B of the Bombay Government Gazette, dated 3rd October, 1940.

2. The Commissioners of Division and the Collector of Bombay are requested to forward to Government with their remarks any peritions of objections which may be received by them, or any officer subordinate to them, in respect of the proposed amendments.

3. The Oriental Translator to Government is requested to translate the notification into Marathi, Gujarati and Kannada and forward the translations to the Manager, Government Central Press, for publication in the Gazette. The date of publication of the translations should be reported to Government.

By order of the Governor of Bombay,

R.F. Keith,

Under Secretary to Government.

To

The Commissioners of Divisions,

The Collector of Bombay,

All Collectors,

The Electrical Engineer to Government,

The Director of Information,

The Oriental Translator to Government,

The Superintendent, Government Printing and Stationary,

The Manager, Government Central Press,

The Remembrance of Legal Affairs,

The Public Works Department,

The Finance Department,

Bombay Electricity Duty Rules.

Adoption of more efficient methods for collection of lectricity duty under rules 2 and 4 of .-

Government of Bombay.
Revenue Department.
Circular No. 8836/28.
Bombay Castle, 4th February, 1941.

Circular of Government.

It has come to the notice of Government that Collectors of the various districts are not abiding by the Bombay Electricity Duty Rules, especially with regard to rule 2, which states that the licensees shall pay such duty within ~~the~~ forty days after the expiry of the month for which it is levied, with the result that the licensees have to be reminded that their payments for several months back have not been made. Collectors are requested to follow strictly the provisions of the Bombay Electricity Duty Rules and to ~~the~~ see that the licensees forwards in future, the amounts of duty and returns regularly as prescribed in rules 2 and 4.

By order of the Governor of Bombay,

V.S. Bhide,
Secretary to Government.

To

The Commissioners of Divisions,
The Collector of Bombay,
All Collectors,
The Electrical Engineer to Government
The Public Works Department,
The Finance Department,

No. Of 1941.

Copy forwarded for information and guidance to -.

725/38
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No. 225/3647

P.W.D.

Bagalkot 24th March 1941.

To

The Manager,

The Bagalkot Electricity Co.

Bagalkot

Dear Sir,

Subject: Electricity duty.

I am directed to inform you that your letter No. 525 dt. 13th March 1941 on the subject noted above, has been transferred to the R.D. for disposal. Any further correspondence on the subject should be addressed direct to the R.D.

17/3/1941

Yours faithfully,

1251/36

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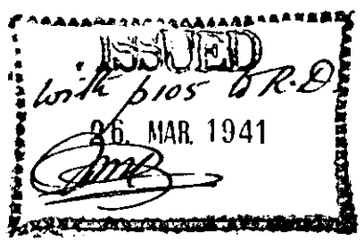
tof 2E

Copy, with his letter
dated 5.3.41 original,
for Sandler & the R.D. for
disposal.

DRM
19/3/41

20/3/41

AS



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27/3/41

Electricity Duty.
Meter Reading.
Change in system of, for calculating-

GOVERNMENT OF BOMBAY.
REVENUE DEPARTMENT.

Resolution No. 8836/28.

Bombay Castle, 22nd December 1942.

Letter from the Association of Electrical Undertakings, Bombay Province, No.EG/35/298, dated the 14th April, 1942.

Typed as an accompaniment to this Resolution.

Government reference dated the 11th May 1942 to the Electrical Engineer to Government.

Memorandum from the Electrical Engineer to Government, No.G.110/659, dated the 23rd May 1942.

Government reference dated the 1st July 1942 to the Electrical Engineer to Government.

Memorandum from the Electrical Engineer to Government, No. G.110/1139, dated the 4th July 1942.

Government letter No.8836/2 - E/28, dated the 20th August 1942, to the Association of Electrical Undertakings.

Letter from the Associa-tion of Electrical Undertakings, No.E.G./35/425, dated the 31st August 1942.

Government reference dated the 24th September 1942 to the Remembrancer of Legal Affairs.

Memorandum from the Remembrancer of Legal affairs. No. 8167; dated the 8th October 1942.-

2. Probably the object in view could be achieved gradually changing the dates of readings of selected consumers in such a way that at no time there is a serious reduction or increase in the 'month' referred to in rule3(1) In respect of every two consecutive readings there could be a reasonable difference of say2 or 3 days either way i.e. by increase or by decrease; but of course this cannot be stretched to included periods as short as 15 days or as long as 45 days with a view to effecting a sudden change in the method of reading meters."

RESOLUTION.- Government concurs in the opinion expressed by the Remembrance of Legal affairs. Copies of that opinion should be forwarded to the officers concerned for information and guidance.

By order of the Governor of Bombay,

M.J.DESAI,

Secretary to Government.

G.R. NO. 8836/42, E.D., dated the 22nd December 1942.

To
The Commissioner, N.D.,
The Commissioner, C.D.,
The Commissioner, S.D.,
The Collector of Bombay,
All other collectors.
The Executive Engineer, Electrical Division and Electrical Inspector, Bombay,
The Electrical Engineer to Government,
The Accountant General, The remembrance of Legal Affairs.
The PublicWorks Department,
The Finance Department.

No. of 1942.

Copy forwarded for information and guidance to-

Id/- 21-1-43. Id/- 22-1-43.

No.8836/28.

Revenue Department,
Bombay Castle, 25th June 1943.

From

The Secretary to the Government of Bombay,
Revenue Department.

To

The General Manager,
Bombay Electricity Supply and Tramways
Company, Limited.

Subject:- Electricity Duty
Meter reading.
Change in system of, for
calculating ——.

Sir,

With reference to your letter, No. 572/43, dated 16th January 1943, I am directed to state that Government has no objection to your effecting a change in the existing method of meter reading and billing provided that -

(i) no bill for electrical energy consumed shall cover a period of less than 20 or more than 40 days since the meter was read last ;

(ii) the assessment, during the transition period, of electricity duty leviable under the Bombay Finance Act, 1932,

shall be based on the equivalent consumption, calculated pro-rata, in a month of 30 days.

and

(iii) the Bombay Electric Supply and tramways Company shall, in case any dispute arises regarding the assessment of electricity

duty during the transition period, make good to the consumer or to Government, as the case may be, any loss they may incur on account of the procedure adopted in assessing the duty leviable, the decision of the collector of Bombay, in all such disputes, being final.

Your obedient servant,

D.A. Gadkari,

Per, Secretary to the Government of Bombay,

Revenue Department.

No.8836-E/28.

Revenue Department.

Bombay Castle, 25th June 1943.

Copies, owith copies * of the Remembrancer of Legal Affairs' opinion, No. 3063, dated 26th April 1943, forwarded to ——

* the Commissioners of Divisions.

*The Collector of Bombay,

*all other Collectors,

* the Executive Engineer and Electrical Inspector, Bombay.

*the Electrical Engineer to Government,

the Remembrancer of Legal Affairs,

*the Accountant General,

*the Public Works Department, and

*the Finance Department,

With reference to Government Resolution, No. 8836/28, dated 22nd December, 1942.

By order of the Governor of Bombay,

D.A. Gadkari,

Per Secretary to the Government of Bombay,
Revenue Department.

Copy of the opinion of the Remembrancer of Legal Affairs, No. 9063, dated 26th April.

The Remembrancer of Legal Affairs is unwilling to commit himself to the view that a month may include any period from 20 to 40 days. But while the company's proposal puts a severe strain on Rule 8 of the Bombay Electricity Duty Rules, this does not appear to be a case in which Government need insist on the strict letter of the law.

Record.

Id/- 2-7-43.

Id/- 5-7-43.

The Association of Electrical Undertakings:

Memorandum:

Association very grateful for the Minister's gesture in granting this facility to seek Government's views on various problems.

War costs Surcharge: The Bombay Electricity Supply (Licensed Undertakings War Costs) Order dated 16th June, 1944, is issued in terms of Rule 81 of the D.I. Rules. It sanctions the levy of various surcharges.

The D.I. Rules expire 30th September, 1946. The continuance of surcharges thereafter is essential to the Industry.

Means of doing so? Central Action? Provincial action?

Electricity Control: The various control orders on supply companies issued by Government of India lapse after 30th September.

The absence of control may be a relief to some, others still short of plant will need protection by control in order to escape from impossible tasks under the Indian Electricity Act. The Association is ready, if required, to indicate what they believe is necessary.

Electricity (Supply) Bill: Bill circulated by the Central Government for eliciting public opinion before 3rd August 1946.

The Government of Bombay have asked for the Association's opinion on the Bill before 3rd July.

Association seeks Minister's opinion on the Bill.

If Electricity and Trading Corporations became a Provincial Subject under new constitution, did Government propose to bring forward a similar measure?

Difficulty of formulating comments due to absence of Advisory Board's recommendations on financial principles.

General feeling this Bill is being unduly rushed.

Government's Electricity Policy: Existing interests as organized through the Association eager to co-operate with Government in the development of Electric Supply in the Province.

Their task would be lightened if Government were less rigid in their attitude towards the Industry and this Association, vide Government's attitude towards duty collection.

Association believes that prior reference to it by Government of problems affecting the Industry before orders are passed would be in the interests of all.

Will be grateful if Government could give an indication of their policy toward private enterprise as affecting the Industry, vide Government's decision in the building trade.

Great experience of industry - Province owes all Electrical development to private enterprises and could have had much more development by now had it been encouraged.
Private enterprise giving really efficient service at rates which in general bear comparison with any similar undertakings in the world. Large profits are not made.
Labour is well looked after.

Request Director of Information again to send Association Government Press Communiques.

Heavy burden of Electricity Duty - not commensurate with Sales Tax - The application of the Duty restrictive.

made. Labour is well looked after.

Request Director of Information again to send Association Government Press Communiques.

Heavy burden of Electricity Duty- not commensurate with sales Tax - The application of the Duty Restrictions.

Minutes of the meeting held in the office of the Minister Public Works Department, on Tuesday, the 28th May 1946, at 2 P.M.

Present:

Dr. M.D. Gilder, Minister, P.W.D.

Mr. P.B. Advani, Special Officer (Electric Grid)

Mr. S.G. Nadkarni, Electrical Engineer to Government,

Mr. M.M. Adajania,

Mr. K.S. Gazder.

Mr. H.J.Mecht.

Mr. K.P. Iyer,

Mr. M.B. Lakhani.

Mr. J.B. Manockji.

Mr. J.C. Hajine.

Mr. V.P. Wool Patem.

Mr. Wool Patem handed over to the Minister, P.W.D., S.G., Grid, and the Electrical Engineer to Government copies of the memorandum prepared by the Association of Electrical Undertakings, Bombay Province and the following points were discussed :-

(1) War Costs Surcharge:- The deputation was informed that Government fully realised their difficulties, but considered that the matter was common to all the Provinces in the country and as such, it was better to request the Central Government to undertake some sort of legislation on the subject. The Government of India has already been approached in the matter, but no reply has yet been received. Mr. Paton expressed satisfaction at the action taken by Government.

(2) Electricity Control:- The deputation was informed that Government was already contemplating suitable action in the matter.

(3) Electricity (Supply) Bill:- Mr. Neol Paton stated that they had been asked for their views on the Electricity(Supply) Bill by the 3rd of July. They were giving due consideration to the Bill, but the thought that the time at their disposal was rather short. He further on financial principles, it was difficult to formulate their views. It was pointed out to the deputation that the various members of the Association of Electrical Undertakings in Bombay Province had been generally cognisant of the provisions of the Bombay Bill and the latest bill of the Government of India was published in the gazette in the beginning of February ~~xxxxxxxxxx~~ last. The next meeting of the Advisory Board had been specially arranged in Bombay to enable the various interests to meet the board. They were further informed that so far as we know the Electricity(Supply) Bill will be referred to a select Committee in the July session of the Central Legislature. It will come up for further consideration in the ~~xxxxxxx~~budget session of 1947. The various interests will, therefore, have plenty of time to make known their views

on the recommendations of the Advisory Board before the Bill comes up for final consideration by the Legislature. Mr. Neel Patom expressed satisfaction in connection with the procedure, which is expected to be adopted, in connection with the consideration of the Bill by the Central Legislature.

Mr. Neel Patom requested for the opinion of the Minister on the Bill. He also inquired if, as a result of any change in the constitution the Bill is not put up before the central Legislature, such a measure will be brought forward by the Bombay Government before the Legislature. The deputation was informed that the Government will await the views of the Association and other bodies before formulating finally their own views on the Bill. On inquiry by the Ministers, Mr. Neel Patom said that regulation of Electric Supply broadly on the lines of the Bill was considered by the Association to be desirable, although they did not agree with some of the provisions of the Bill on which they will submit their views in due course.

As regards the question of a Bill being, if necessary, brought before the Bombay Legislature and Government policy generally regarding Electricity, they were informed that Government was considering the question of all the Post-War Reconstruction Schemes, including Electricity. When they had formulated their policy in regard to Electricity, it will be made known probably in the form of a Press Note.

4. Government's Electricity Policy: Noel Paton raised the question of Government Policy towards electrical development by private enterprise. He stated that the province owns all its electrical development so far no private enterprise and the development would have been greater had the private enterprise been encouraged by Government. He requested that Govern-ment's attitude should be less rigid to the industry. He complained that certain executive orders were issued, which affected the licensees and in some of these, avoidable mistakes were made. He requested prior consultation with the Industry before orders are issued. He assured the Minister that his Association was eagar to co-operate with Government in the development of Electric Supply in the Province. As previously stated, the deputation was informed that Government will formulate their policy generally in regard to Electricity very shortly and it will probably be made known by a Press Note. Meanwhile, the Minister thanked the deputation for their offer of assistance and cooperation.

(b) Mr. Paton complained that the Director of information had stopped sending Government Press Communiques to the Association and this caused inconvenience to the Association. This question however, was minor and Mr. Paton stated that he would approach the Director of information directly and try to obtain the Press Communiques as before.

(c) Electricity Duty: Mr. Paton complained that the remuneration received by the licensee for collecting the electricity duty was inadequate to meet the actual cost of collection. This view, however, was not shared by the other members of the deputation and Mr. Paton statedthat he

he would find out specific cases where the collection charges exceeded the remuneration received.

Mr. Patom complained about the electricity duty on account of the following reasons:

(i) It made electricity very expensive for the man in the street; (ii) it prevented the supply Companies from increasing the number of consumers and consequently the load, which alone reduces the cost of electricity to the general public;
(iii) electric lights and fans are a necessity and not a luxury;

(iv) the levying of duty necessitated separate wiring for lights and fans and for other purposes which amounted to waste of wiring materials;
(v) but for electricity duty, the supply Companies would be in a position to offer general tariff to consumers as in other countries and thereby save the cost of duplicate wiring;
(vi) even though electricity was exempted from the Sales Tax, the electricity duty was far in excess of the sales tax and the Association would not mind if electricity was subjected to sales tax and the duty removed altogether.

Mr. Patom stated, that, if revenue was the only consideration, the Association would submit proposals for alternative measures instead of electricity duty, and the Minister, P.W.D. informed Mr. Patom that Government would be pleased to take into consideration all the suggestions put forward by the Association in this

respect.

6VPA
14-6-46.

Note.

A deputation from the Association of Electrical Undertakings, Bombay Province, waited upon Dr. M.D.D. Gilder, Minister for Public Works, at 2 P.M. on Tuesday, the 28th May, 1946. With the Minister were present :-

Mr. P.B. Advani, the Special Officer, Electric Grid;

Mr. Nadkarni, the Electrical Engineer to Government, P.W.D.,

and

the Parliamentary Secretary to the P.W.D.

The Association was represented by :-

Mr. V.F. Wool Fatem (the President)

Mr. N.N. Adajania
Mr. K.S. Gunder
Mr. J.B.Manockji
Mr. F.J.Mecht.
Mr. K.G. Milne
Mr. M.D. Lakhani
and
Mr. R.P. Iyer - the Secretary.

} Councillors.

A Memorandum (copy attached) on the subjects the Deputations wished to represent was submitted to the Minister.

At the outset, Mr. Wool Fatem, speaking on behalf of the Deputation thanked the Minister for the interview he had so kindly granted.

War Costs Surcharge: The attention of the Minister was drawn to the necessity for the continuance of the War costs Surcharges after the lapse of the D.I.R.

The Electrical Engineer speaking on behalf on Government stated that Government fully realised the difficulty of the Electric Supply Companies in the Province, but, as the matter concerned other Provinces, too, the Central Government had been moved to pass the necessary legislation. So far the Bombay Government had received no reply but they would remind the Central Government and let the Association know the outcome in due course.

The Minister inquired whether the Association had preference for any method, but informed that the present procedure, involving a scrutiny by Government of the figures submitted by companies justifying their claim for the various precentages, would be satisfactory. The Electrical Engineer mentioned that details could be worked out after the general structure of the Central Legislation was known.

The Minister appreciated that all the Licensees sought was a way to offset the extra costs they had been by reason of increased wage bill, fuel to bear charges etc. and it was felt that a decision on this could be reached by agreement.

Electricity Control: Another difficulty which would face Licensees with the lapse of the D.I.R. was the ceasing of control on new connections, and while relaxation might be welcome to many companies, some who were short of plant, would still require the protection afforded by the control orders.

The Minister asked How this could be achieved.

The answer to this depended upon whether the control in future was wholly to be central

part Central Part Provincial as at present, or entirely Provincial. The present orders, if they could be revived, could be suitably adapted. They were not rigid and lent themselves to ad hoc decisions. This also concerned the other Provinces and the Provincial Government preferred to await the move the centre might be making. The Association would submit suggestions, if so required by Government, and the Minister noted this.

Electricity(Supply Bill): The Association's representatives thanked Government for referring the Bill to them for opinion, but they considered that a proper view of the Bill as a whole could not be taken in the absence of the Advisory Board's recommendations on sections 56,57 and the sixth and seventh schedules. The Association's opinion had been asked for before 3rd July and the Advisory Board, it was understood, would not be meeting again before august.

The industry generally welcomed the Bill, but it had certain objections. It was difficult, however, to take a final view pending the finding of the Advisory Board, as stated above.

Here Mr. Milne(a co-author of the Bill when recently Director of Power Supply (Commercial) with the Government of India recalled that when drafting the Bill a fundamental feature of the British legislation, on which the Indian Bill was primarily based, had been removed;

this was the protective clause (Section 13 of the U.K. 1926 Act) which states that no Licensee's undertaking would have to pay more for energy from a "Grid than what it would have cost itto generate that electricity itself. In its place a number of highly technical definitive schedules had been inserted in the Bill, with the object, inter alia, of limiting the field for argument which attaches tom U.K. Section 13. The Financial principles were then added to, replace the essential assurance of a "fair return" to the Licensee. These financial principles were essential to the legislation as now drafted.

Mr. Advani was of the opinion that if the Bill were to be re-examined, it would be evident that the financial principles were not so important as was being made out, and the other sections and s-chedules could stand by themselves. He averred that in case the Advisory Board's recommendations could not be known in time, it was possible that the rest of the Bill might be proceeded with and the sixth schedule with its implementing wording incorporated in an amending Bill, which in any case would be needed to embody in Electricity legislation certain amendments considered necessary by experience.

The Association's representatives agreed that though the Bill might be worked from Government's point of view without the sixth schedule, the industry would at least require this schedule in place of U.K. Section 13, as without the protection afforded by either, the Bill could operate to their great disadvantage.

To the fear of the Association that the Bill was being rushed, Mr. Advani said that his information was that the Bill would be referred to a Select Committee in

November and would not come up for final consideration by the Legislature before February, 1947.

This news was received with relief by the Deputation.

The Minister was asked whether Government had formulated their views on the Bill. The Association would be considering the technical features of the Bill, but what it was also concerned to know was the broad policy in the background, especially in view of the impending constitutional changes.

The Minister stated that he himself had not studied the Bill, but that Government would formulate their views after they were in possession of the opinion of the bodies to whom the Bill had been referred. He further stated that the Bombay Government needed the Bill quickly so as to have an Electricity Board in the Province.

Government's Electricity Policy: The Deputation had a feeling that Government's recognition of the Association was a halting one, as for instance orders connected with the Industry were often unilaterly passed, and as a further example was mentioned the Association ceasing to receive Government's Press Notes after the reorganisation of the Directorate of Information. The Industry was eager to collaborate with Government in the furtherance of Electric Supply Service in the Province and the Association assured Government of their willingness to co-operate in any reasonable proposition.

The Minister appreciated the Association's offer of co-operation, and said that the very fact that the interview had been granted went to show that they accepted that co-operation as valuable.

While welcoming this declaration, the delegation inquired whether Government could give an indication of their policy vis-d-vis Private enterprise in the sphere of Electricity, as had been done in the case of the Building Trade.

The Minister said that Government had not yet considered this question. The matter would, however, come up for consideration shortly, and Government's Electricity Policy when formulated would be published.

Here the hope was expressed that a place for private enterprise would be provided, as that alone would ensure the harnessing of the experience of existing Licensees, who had pioneered electrical development in the Province, whose services were efficient, whose rates compared favourably with similar undertakings in any other parts of the world, and whose labour policy was enlightened.

The Minister made a note of this.

Incidentally, at this stage the Minister's attention was drawn to an answer given in the last session of the Central Assembly when it was stated that 56 utility companies in India were owned by non-Indians. Only 4 Electric Supply utilities - Calcutta, Delhi, Cawnpore and Madras - were known to the Association as owned by non-Indians, and it was appreciated by the Minister that the information given in the Central Assembly was not based on a proper study of facts.

(The Association is writing a disclaimer to the Government of India, a copy of which is being endorsed to the P.W.D., Bombay).

The discussion then turned to the Electricity Duty, though the subject primarily concerned the Finance Department.

The Deputation impressed upon the Minister the cramping effects of the Electricity Duty, having the necessity for double wiring, double metering and the prevention of Licensees quoting the modern "All in" tariffs, and emphasised that the tax as now applied restricted the development of Electric Power Supply in the Province, especially affecting the poorer classes. This was not a matter affecting returns to shareholders, as licensees already voluntarily employed profit limitation policies, and such were in any case to be made statutory, vide the "financial principles" referred to earlier.

The Deputation realised that Government must have revenue, but they ventured to suggest that if on reflection it was decided it must be drawn from an essential Commodity such as Electricity, the Association would, if Government so wished, consider whether they can put forward less restrictive alternative methods of procuring the money yielded by the present Tax. such alternative methods did exist.

As a matter of interest, the Minister's attention was drawn to the reported recommendation of the Electricity Sub-Committee of the Sind Provincial Development Board to that Province's Government suggesting the abolition of Electricity Duty in the interest of expansion of consumption of electric Power.

There was a possibility that the Finance

Minister might grant an interview to the Association in November next to discuss this question, but the Minister was requested, at a suitable opportunity, to convey to the Finance Minister the very strong views held by the Industry towards the Tax.

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During ~~the~~ discussion the Deputation also took an opportunity to men-tion the very inadequate allowances paid by Government to Supply -Companies for collecting the Electricity Duty, and stated that a revision of the fees was called for.

The Minister took note of this and asked the Association to write to Government giving definite instance.

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The interview lasted for about 45 minutes and was cordial throughout.

Id/-

The Association of Electrical Undertakings.

Memorandum.

Association very grateful for the Minister's gesture in granting this facility to seek Government's views on various problems.

War Costs Surcharge: The Bombay Electricity Supply (Licensed Undertakings war costs) Order dated 16th June, 1944, is issued in terms of Rule 81 of the D.I. Rules. It sanctions the levy of various surcharges.

The D.I.Rules expire on 30th September 1946. The continuance of surcharges thereafter is essential to the industry.

Meanes of doing? Central Action?
Provincial Action?

Electricity Control: The various control orders on supply companies issued by Government of India lapse after 30th September.

The absence of control may be a relief to some, others still short of plant will need protection by control in order to escape from impossible tasks under the India n Electricity Act. The Association is ready, if required, to indicate what they believe is necessary.

Electricity (Supply)Bill: Bill calculated by the Central Government for eleeting Public opinion before 3rd August 1946.

The Government of Bombay have asked for the Association's opinion on the Bill before 3rd July.

Association's seeks Minister's opinion on the Bill. If Electricity and Trading Corporations became a Provincial Subject under new constitution, did Government propose to bring forward a similar measure?

Difficulty of formulating comments due to absence of Advisory Board's recommendations on financial principles.

General feeling this Bill is being unduly rushed.

Government's Electricity Policy: Existing interests as organised through the Association eager to co-operate with Government in the Development of Electric Supply in the Province.

Their task would be lightened if Government were less rigid in their attitude towards the Industry and this Association vide Government's attitude towards duty collection.

Association believes that prior reference to it by Government of problems affecting the Industry before orders are passed would be in the interests of all.

Will be grateful if Government could give an indication of their policy toward private enterprise as affecting the Industry vide Government's decision in the building trade.

Great experience of industry-Province owes all electrical development to private enterprise and could have had much more development by now had it been

encouraged. Private enterprise giving really efficient service at rates which in general bear comparison with any similar undertakings in the world. Large profits are not

made. Labour is well looked after. ✓

Request Director of Information again to send Association Government Press Communiques.

Heavy burden of Electricity Duty - not commensurate with Sales Tax - The application of the Duty Restrictive.